

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

APARTMENT HOUSE
INDUSTRY

AS SUBMITTED ON AUGUST 29, 1933



The Code for the Apartment House Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are*
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

CODE OF FAIR COMPETITION FOR THE APARTMENT HOUSE INDUSTRY

ARTICLE I—PURPOSE

The purpose of this Code is to effectuate the policy of Title I of the National Industrial Recovery Act insofar as it is applicable to the ownership and management of apartment buildings.

ARTICLE II—DEFINITIONS

SECTION 1. The references to the "President" as used herein are defined to mean the President of the United States and/or his duly authorized administrators or agents in the National Recovery Administration.

SEC. 2. The term "Apartment House Industry" as used herein is defined to mean those engaged in owning, managing, leasing, or renting space in a building to three or more tenants whose occupancy is for permanent or semipermanent domestic domicile and/or to two or more such tenants in buildings where space is also leased or rented on the same property for one or more stores or shops or for other commercial purposes, except regularly operated hotels or inns whose principal occupancy is transient tenants.

SEC. 3. The term "Member of Industry" as used herein, is defined to mean the owner, lessee, trustee, receiver, agent, or manager of a building, whether or not such owner, lessee, trustee, receiver, agent, or manager of a building, be a person, partnership, association, or corporation.

SEC. 4. The term "National Code Committee" as used herein is defined to mean the committee appointed by the National Association of Apartment House Owners and by the President to administer the provisions of this Code.

SEC. 5. The term "Effective Date" as used herein is defined to mean the second Monday after this Code has been approved by the President.

ARTICLE III—LABOR CODE

On and after the effective date of this Code all employers in the apartment-house industry shall be required:

(a) Not to work any office personnel, telephone operators, or elevator operators, for more than 40 hours in any one week.

(b) Not to work any service or maintenance employees, who can be put on a consecutive hour schedule, for more than 48 hours in any one week.

(c) Intermittent service or maintenance employees, who cannot be put on a consecutive hour schedule, such as janitors, managers, custodians, caretakers, etc., employees receiving \$35.00 per week or more, and outside salesmen on a commission basis shall not be subject to the maximum hour requirements.

(d) Not to pay office personnel, telephone operators, elevator operators, service or maintenance employees, who can be put on a

consecutive hour schedule, less than \$15.00 per week in cities of over 500,000 population, or in the immediate trade areas of such city; nor less than \$14.50 per week in cities between 250,000 and 500,000 population, or in the immediate trade area of such city; nor less than \$14.00 per week in cities of between 2,500 and 250,000 population, or in the immediate trade area of such city; and in towns of less than 2,500 population, to increase all present wages by not less than 20% provided that such present wages are not now in excess of \$12.00 per week.

(e) Intermittent service or maintenance employees, who cannot be put on a consecutive hour schedule, such as janitors, managers, custodians, caretakers, etc., shall have their present wages increased by not less than 25%; provided that such present wages are not now in excess of the minimum wages provided for according to city trade areas in accordance with paragraph (d) hereof.

(f) Provided further that the minimum wages of employees in the southern states, designated as follows: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Tennessee, Kentucky, Arkansas, Texas, Oklahoma, and Maryland shall be based upon not less than eighty percent (80%) of the amounts set forth in paragraphs (d) and (e) hereof.

(g) Provided that part time consecutive hour employees shall be paid on an hour rate determined by dividing the weekly rate by the maximum hours allowed, as above specified.

(h) Provided further that in case of emergency any employee coming under the consecutive hour class may be worked overtime if overtime wages are computed on a basis of time and one third, for such overtime.

(i) The minimum rates for wages provided for herein shall not be interpreted so as to reduce the wages paid as of July 1, 1933, which were in a greater amount than the minimum wage provisions of this Code, even though hours of labor are reduced.

(j) On and after the effective date employers in the apartment house industry shall not employ any minor under the age of 16 years.

(k) Nothing in this Code shall be interpreted to prevent employers from selecting, retaining, releasing, or advancing employees on the basis of their individual merit without regard to their affiliation or nonaffiliation with any labor or other organization.

(l) Employees in the apartment house industry shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from any interference, restraint, or coercion of employers of labor or their agents in the designation of such representatives, or in self-organization, or in other concerted activities for the purpose of collective bargaining, or other mutual aid or protection in accordance with the provisions of the National Industrial Recovery Act.

(m) No employee in the apartment house industry or no one seeking employment therein shall be required as a condition of employment to join any company or other union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

(n) Failure of employers of labor in the apartment house industry to comply with the maximum hours of labor and minimum rates of pay, and other conditions of employment approved or prescribed by the President, shall be considered a violation of this Code.

ARTICLE IV—PARTICIPATION

Full membership participation in this Code, and any subsequent revision of or addition thereto, shall be extended to any person in the apartment-house industry who accepts his share of the cost and responsibility, as well as the benefits, of such membership participation by becoming a member of the National Association of Apartment House Owners or any affiliated organization. No initiation fee shall be charged, but there may be dues or assessments levied to carry on the work of said association in accordance with the provisions of the constitution and bylaws thereof.

Nothing in this article or in this Code shall be interpreted as releasing any members of the apartment-house industry from full responsibility and liability under this Code, even though such members of the apartment-house industry do not become a member of the National Association of Apartment House Owners.

ARTICLE V—ADMINISTRATION

SECTION 1. The administration of this Code shall be under the direction of a National Code Committee of fourteen members, eleven of which shall be appointed by the President of the National Association of Apartment House Owners subject to the approval of the Board of Trustees, selected on the basis of fair geographical representation, and three members without vote appointed by the President. The President of the National Association of Apartment House Owners shall divide the United States into ten geographical districts and shall make appointments to the National Code Committee so as to have one representative from each of such geographical districts and a chairman. The National Code Committee shall have all the powers and duties conferred upon it by the President, by the constitution and bylaws of the National Association of Apartment House Owners, and by this Code and generally all such other powers and duties as shall be necessary or proper to enable it fully to administer the Code and effectuate its purpose, including the power to levy and collect equitable assessments upon the members of the industry for the purpose of defraying the expenses of presenting and administering the Code.

SEC. 2. Because of the local character of the industry it shall be divided into the following divisions for the purpose of administering this Code:

Alabama	Maine	Oklahoma
Arizona	Maryland	Oregon
Arkansas	Massachusetts	Pennsylvania
California	Michigan	Rhode Island
Colorado	Minnesota	South Carolina
Connecticut	Mississippi	South Dakota
Delaware	Missouri	Tennessee
District of Columbia	Montana	Texas
Florida	Nebraska	Utah
Georgia	Nevada	Vermont
Idaho	New Hampshire	Virginia
Illinois	New Jersey	Washington
Indiana	New Mexico	West Virginia
Iowa	New York	Wisconsin
Kansas	North Carolina	Wyoming
Kentucky	North Dakota	
Louisiana	Ohio	

SEC. 3. Each state or other division of the industry shall appoint a Division Code Committee of three or more members of the industry, which Division Code Committee shall be a subcommittee of the National Code Committee. Each Division Code Committee shall administer the provisions of this Code, secure adherence thereto, hear and adjust complaints, consider proposals and amendments thereof and exceptions thereto, and shall put into effect and carry out the policy and program of the National Code Committee and take whatever further local action may be necessary in order to effectuate the policies of the National Industrial Recovery Act within the jurisdiction of their Division.

SEC. 4. If a Division as named above does not concur in the submitting of this Code or subsequent amendments thereof, or if at any time thereafter a Division fails to perform its obligations as provided hereunder, the National Committee is hereby empowered to adopt a code for the Division and may provide for the administration of that code as if said National Code Committee were the executive of the Division concerned.

ARTICLE VI—EXISTING CONTRACTS

Where cost of performing contracts, entered into before June 16, 1933, in this industry, are increased by the application of the provisions of the N.I.R.A. and it is deemed equitable and promotive of the purposes of the Act that appropriate adjustments of such contracts to reflect increased costs to be arrived at by arbitral proceedings or otherwise, the National Code Committee is constituted the agency to assist in effectuating such adjustments.

ARTICLE VII—COMPETITION CODE

(a) On and after the effective date as provided for herein it shall be an unfair method of competition for any member of the apartment house industry to lease, rent, or otherwise sell living quarters, shops, or stores in apartment house buildings at less than cost.

"Cost" is meant specifically to mean the cost of labor, cost of materials, cost of operations, and cost of overhead.

"Cost of labor" means wages paid for labor engaged to maintain service repairs and upkeep.

"Cost of materials" means the invoice cost less trade discounts of materials, supplies, and sundries entering directly into the operation and service of apartment buildings, but not classified as permanent improvements or capital expense.

"Cost of operations" means expenses of any nature which appertain directly to the work undertaken in connection with the operation or service of an apartment house, including supervision, operating supplies, fuel, light, heat, power, small tools, water, insurance, fire prevention, property taxes, salaries of officers and executives, traveling expenses, subscriptions, membership, license, and other operations fees and dues, advertising, commissions, salemen's salaries and expenses.

"Cost of overhead" means depreciation on furniture and fixtures and constructed property, and interest on fair capital value as approved by the committee and by the President.

(b) Cost of labor, operations, and overhead shall be based upon current expenditures. Cost of materials shall be determined by the amount for the year 1932.

(c) All members of the apartment-house industry shall individually file with the National Code Committee through their Division Code Committee where one exists, but where a Division Code Committee does not exist, then directly with the National Code Committee, a certified statement as to their actual cost, based upon the formula above outlined, within sixty (60) days after the effective date. Upon approval by the National Code Committee, certified statements shall be filed with the President, and at the end of ninety (90) days thereafter they shall become a part of this Code.

(d) Persons subject to the jurisdiction of this Code shall pay as a code fee to the National Code Committee or its designate an amount to be designated by the National Code Committee necessary to pay the expenses of assembling, analyzing, appraising, compiling, verifying, and administering certified statements of cost.

ARTICLE VIII—UNFAIR PRACTICES

For the purpose of this Code, such unfair practices as shall be declared to be unfair practices by the President and by the National Code Committee, or the Division Code Committee, with the approval of the National Code Committee, or by any amendment to the Code, shall be deemed to be unfair methods of practice and the using or employing of any of them shall be deemed to be a violation of this Code.

ARTICLE IX—GENERAL PROVISIONS

(a) This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulations, issued under the said act and specifically to the right of the President to cancel or modify his approval thereof.

(b) Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions of this Code or additional codes may be submitted by the National Code Committee for the approval of the President to prevent unfair labor practices and unfair and destructive competitive practices and to effectuate the other purposes and policies of the National Industrial Recovery Act and which shall not conflict with the provisions hereof.

(c) No provisions of this Code shall be interpreted or applied in such a manner as to promote monopolies, permit or encourage unfair competition, eliminate, discriminate against or oppress small enterprises, discriminate against employees, labor generally, or the public, or to curtail or diminish public buying power.

ARTICLE X—REPORTS

With a view of keeping the President informed as to the observances or nonobservance of this Code of fair competition, and as to whether

the apartment-house industry is taking appropriate steps to effectuate the declared policy of the National Industrial Recovery Act, all members of the apartment-house industry shall furnish reports to the National Code Committee through their Division Code Committee where one exists, but where a Division Code Committee does not exist, then directly to the National Code Committee, on such subjects, at such times and in such forms as may be hereafter prescribed by the National Code Committee or by the President.

ARTICLE XI—AMENDMENTS

Amendments to this Code may be made by the approval of the President or any proposed amendment submitted to him by any member of the industry through the National Code Committee.

CLEVELAND, OHIO, *August 29, 1933.*

THE NATIONAL RECOVERY ADMINISTRATION,
Washington, D.C.

GENTLEMEN: The apartment house industry of the United States was organized into a national unit known as the National Association of Apartment House Owners at a convention held in Cleveland, Ohio, on August 21 and 22, 1933.

Every branch of the apartment house industry throughout the United States was invited to attend this convention. The following states sent representatives:

California	Indiana	Minnesota	Oklahoma
District of Columbia	Iowa	Missouri	Oregon
Florida	Kentucky	New York	Pennsylvania
Illinois	Michigan	Ohio	Utah

Insurance companies and other financial institutions owning apartment house properties were also represented. All of these representatives took part in the proceedings of the convention and exercised their franchise to vote.

The National Convention and the National Association of Apartment House Owners was sponsored through the leadership of the combined apartment house interests in the State of Ohio and other states through the Cleveland Association of Apartment House Owners which came into existence in 1927.

The convention adopted and approved the attached code of fair competition.

Because it will be necessary to compile complete authentic statistical data from each state and the District of Columbia before authentic national statistical data can be compiled on the apartment house industry as required by your administration, it will be impossible at this time to file with this code authentic statistical data for the industry. However, the following estimates, taken from consensus of opinion, are submitted for your information:

Number of apartment buildings, 3 units or more, 1929.....	643, 779
Number of employees, 1929.....	2, 575, 116
Number of employees, August 1, 1933.....	1, 931, 337
Number of employees, under the Code.....	2, 317, 604
Amount of invested capital, August 1, 1933.....	\$16, 091, 475, 000
Amount of income from rentals, August 1, 1933.....	\$96, 566, 850
Average hours of labor per employee, per week, 1929.....	54
Average hours of labor per employee, per week, 1933.....	72
Average hours of labor per employee, per week, under Code.....	44
Average hourly wages paid for labor, 1929.....	\$0. 28
Average hourly wages paid for labor, 1933.....	\$0. 125
Average hourly wages paid for labor, under Code.....	\$0. 318

From such information as we have been able to determine, we feel assured that the National Association of Apartment House Owners represents now the largest part of the combined apartment-house industry and upon completion of the organization work this association will unquestionably represent at least 66⅔% of the industry.

(1) As now constituted the National Association of Apartment House Owners is the only national organization exclusively sponsoring the interests of the apartment-house industry.

The present form of the National Association of Apartment House Owners is sufficiently adequate and representative of the industry to serve as a medium for the development and application of a code. Under the plan of the National Association of Apartment House Owners it is contemplated that in State and city divisions the code of the apartment-house industry may properly be administered

by the local apartment-house industry group, whether they are separate organizations, or affiliated with the Chamber of Commerce, Real Estate Board, or any other association. It is considered, however, that the administration of the code for the industry through the National Code Committee should be under the sole jurisdiction of the National Association of Apartment House Owners, which is separate and apart from all other interests, except the one industry of apartment-house operation in which it is interested, and the National Recovery Administration.

Respectfully submitted.

C. A. MULLENIX, *President,*
National Association of Apartment House Owners,
Hickox Building, Cleveland, Ohio.



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